

*Writer* means an employee who writes keno or race and sports book tickets. A keno writer usually also makes payouts.

*Writer machine* means a locked device used to prepare keno or race and sports book tickets.

**§ 542.3 How do I comply with this part?**

(a) Within six months of February 4, 1999, each tribe or its designated tribal governmental body or agency shall establish by regulation and implement tribal minimum internal control standards which shall:

(1) Be at least as stringent as those set forth in this part;

(2) Contain standards for currency transaction reporting that comply with 31 CFR part 103;

(3) Establish standards for games which are not addressed in this part; and

(4) Establish a deadline, which shall not exceed twelve months from February 4, 1999, by which a gaming operation must come into compliance with the tribal minimum internal control standards. However, the tribe may extend the deadline by an additional six months if:

(i) The tribe submits a written request to the Commission to extend the deadline no later than two weeks prior to the expiration of the initial six month period;

(ii) The request includes an explanation of why the gaming operation cannot come into compliance within the initial six month period; and

(iii) The tribe has not received written notification from the Commission denying the request within two weeks following submission of the request.

(5) All gaming operations that are operating on or before March 31, 1999, shall comply with this part within the time requirements established in this paragraph. All gaming operations which commence operations after March 31, 1999, shall comply with this part prior to commencement of operations.

(b) Tribal regulations promulgated pursuant to this section shall not be required to be submitted to the Commission pursuant to 25 CFR 522.3 (b).

(c) Each gaming operation shall develop and implement an internal control system that, at a minimum, complies with the tribal minimum internal control standards.

(d) The independent certified public accountant (CPA) shall perform procedures to verify that the gaming operation's internal control system (ICS) is in substantial compliance with the tribal MICS by comparing the gaming operation's ICS to the tribal MICS. The CPA shall also perform procedures to verify, on a test basis, that the gaming operation has implemented and is in substantial compliance with its ICS. The procedures may be performed in conjunction with the annual audit. The CPA shall prepare a report of the findings for the tribe and management. The tribe shall submit a copy of the report to the Commission within 120 days of the gaming operation's fiscal year end.

**§ 542.4 How do these regulations affect minimum internal control standards established in a Tribal-State compact?**

(a) If an internal control standard or a requirement set forth in this part is more stringent than an internal control standard established in a Tribal-State compact, then the internal control standard or requirement set forth in this part shall prevail. If a standard in a Tribal-State compact is more stringent than a standard set forth in this part, then the Tribal-State compact standard shall prevail.

(b) If there is a direct conflict between an internal control standard established in a Tribal-State compact and a standard or requirement set forth in this part, then the internal control standard established in a Tribal-State compact shall prevail.

(c) Nothing in this part shall grant to a state jurisdiction in class II gaming or extend a state's jurisdiction in class III gaming.

**§ 542.5 What are the minimum internal control standards for bingo?**

(a) Game play standards. (1) The functions of seller and payout verifier shall be segregated. Employees who sell cards on the floor shall not verify payouts with cards in their possession.